

STATE ADMINISTRATIVE BOARD

RESOLUTION 2003-1

REDUCE THRESHOLD FOR CONTRACT APPROVAL

WHEREAS, under Section 3 of 1921 PA 2, MCL 17.3, the State Administrative Board ("Board") exercises general supervisory control over the functions and activities of all administrative departments, boards, commissioners, and officers of this State, and of all State institutions;

WHEREAS, under Section 2 of 1921 PA 2, MCL 17.2, the Board may adopt rules governing its procedures and providing for the general conduct of its business and affairs;

WHEREAS, exercising its power to adopt rules, the Board adopted a resolution on February 15, 1983 and amended that resolution on May 2, 1995 to require that all contracts and grants of \$250,000 or more for the purchase of materials or services, and all contract and grant amendments of \$125,000 or more, be approved by the Board prior to execution, unless specifically approved by the Governor;

WHEREAS, the current state budget crisis increases the need for the Board to monitor state contract and grant expenditures and reinforces the Board's duty to promote the efficiency of State Government;

NOW THEREFORE, the State Administrative Board reduces the threshold for State contracts and grants from \$250,000 to \$25,000 and the threshold for State contract and grant amendments from \$125,000 to \$25,000 regardless of the source of funding or duration. All State contracts and grants of \$25,000 or more, except statutory State grants, and contract and grant amendments of \$25,000 or more, shall be approved by the Board prior to execution. Prior approval by the Board is not required in emergency cases involving threats to public health or safety. All grants and contracts of \$25,000 or more and contract and grant amendments of \$25,000 or more executed in the event of an emergency shall be reported to the Board as soon as practicable.

This Resolution is effective March 25, 2003.